

EXHIBIT A

FOR
PROFESSIONAL
AND
BUSINESS
CLASSIFICATIONS (2A+)

Pan-American Life believes that you deserve the best protection possible for all of the things in your life that you've worked so hard to gain. Especially your income. The one thing that so often gets overlooked in personal insurance programs.

Our Disability Income Protection Plan can provide you with the coverage, flexibility and affordable cost to fit your individual needs—whether they're personal or business. In fact, we have a plan specifically designed to fit the needs of the professional and business person. It's customized for a limited number of select occupations.

OUR INCOME PROTECTION PLAN
HAS STANDARD FEATURES THAT THE
COMPETITION CONSIDERS "EXTRAS"

Until recently, most disability income protection plans paid you benefits only if you were totally disabled. Once you returned to work, even part-time, your benefits ended.

Pan-American took a different approach. We developed a plan that protects your income while you are totally disabled, and also complements your income while you are partially disabled. This was just the start. Our "basic" plan includes a number of standard features that are extra cost "options" on most other plans.

Full Disability Benefits while you are totally disabled—Our "basic" plan pays you the full benefit while you are totally disabled after the elimination period (the time between the beginning of the disability and the beginning of payments), for as long as the benefit period you choose for your plan.

We also offer a feature that expands the definition of "disability." If forced by your disability to take up another occupation other than your regular occupation, this feature insures that you will continue to receive full benefits even while employed in the new occupation for up to two (2) years.

Residual Disability Benefits while you are residually or partially disabled—After you have been totally disabled for the elimination period, if you return to work while you are recovering, we help make up the difference between what you now earn

and what you used to earn before your disability. And we continue to pay you a Residual Disability Benefit until the end of your benefit period or until your current earned income reaches 80% of your earned income before disability.

If your earned income after total disability is less than 20% of your earned income before, we consider you totally disabled and pay you full benefits, even though you are working. You will receive residual disability benefit payments of at least 50% of the policy benefit for the first six (6) months of residual disability.

Guaranteed Renewable and Non-Cancellable to Age 65—Prior to age 65, we cannot cancel your policy, increase your premiums or change your policy in any way without your consent. After age 65, the policy is conditionally renewable for as long as you are working full-time, regardless of your age.

Retroactive Waiver of Premium—This provision waives premiums which fall due after 90-days of disability. It is retroactive to the beginning of disability and continues throughout your disability even beyond the benefit period.

Pregnancy Benefit—If you are out of work for normal pregnancy longer than 90 days or the elimination period, whichever is greater, you are eligible for benefits. Complications of pregnancy are covered as any other sickness.

Unlimited (non-aggregate) Claims—We place no limit to the number of claims you may have.

Recurrent Disability—A recurrence of disability from the same or related cause will be treated as a new disability only if 12 months separate the two disability periods.

Presumptive Disability—We will pay the total disability benefit from the first day of disability for the entire period for the loss of speech, sight in both eyes, hearing in both ears, loss of use of both hands, both feet or one hand and one foot.

Rehabilitation Benefit—In addition to your basic policy benefits, we also pay you special "rehabilitation benefits," up to 24-times the monthly benefit toward the cost of a rehabilitation program mutually agreed upon between the Company and the insured.

Non-Prorating—Your benefits cannot be reduced nor premiums increased if you change to a more hazardous occupation.

Predisability Earnings Escalator Clause—To prevent inflation from eroding your residual benefits, we increase your average monthly income before disability by 5% each year after your claim begins.

Survivor Benefit—Should you die while receiving benefits for total disability, we will pay to your named beneficiary a lump sum payment equal to 3 times your basic monthly benefit.

With a minimum billing of five (5) lives and a minimum monthly premium of \$150 you can qualify for our group billing discount. The discount amount is 5% of the total premium of each contract excluding policy fees (Available on either company-billed or salary-savings payment modes).

NON-SMOKER DISCOUNT

You are eligible for a 5% premium discount if you have not smoked cigarettes for at least 12 months immediately prior to your application for DI coverage. The discount is applied to the premium rate for your plan and also to any riders added to your plan. A sub-standard contract may also receive this discount.

SPECIAL PREFERRED RISK CLASS

Individuals who have not used tobacco for five (5) years prior to application for coverage may qualify for our special Preferred Risk Classification—and a 12% discount off the non-smoker rates (home office specimen, and blood chemistry profile are required). Sub-standard issues do not qualify for this special discount.

OPTIONAL BENEFITS—RIDERS

Pan-American's Disability Income Protection Plan also offers a broad range of Optional Benefits or Riders that let you personalize your Income Protection Plan to fit your individual occupational needs. You may qualify for:

ADDITIONAL MONTHLY BENEFIT RIDER

This option provides you with extra monthly benefits during the first year of disability. It is used to maximize protection (most disabilities last less than a year) and to plan your coverage around short-term group coverage or state cash benefits. This rider also contains a Zero-Day Qualification feature—you can satisfy your elimination period and collect benefits even if you are only partially disabled. (Available in amounts up to \$1,200 per month.)

SOCIAL INSURANCE RIDER

With this rider you choose to receive extra monthly

benefits if you are disabled and are receiving Social Security Disability Insurance (SSDI).

HOSPITAL BENEFIT DURING ELIMINATION PERIOD

This option provides that you are paid benefits for each day you are confined in a hospital during the elimination period. It provides front-end coverage and helps you pay your extra expenses incurred during hospital confinement. The daily benefit you would receive is equal to 1/30th of the monthly benefit for your base policy and any additional monthly benefit that you have chosen (if included).

FUTURE PURCHASE OPTION

This pre-disability inflation fighting option guarantees you the right to increase the amount of your disability income protection on future option dates without a physical examination and regardless of a change to a more hazardous occupation.

This option can be exercised every second policy anniversary until age 53 (within minimum and maximum limits). On a single option date you have the right—as long as you meet earnings requirements—to increase your coverage by as much as 50% of the option maximum. The "option maximum" is defined as the amount of FPO benefit purchased under the original contract.

SUMMARY

The information in this brochure is meant to give you, the buyer, a brief description of the general features of Pan-American Life's Disability Income Protection Plan and an explanation of how it may benefit you.

This is not a Disability Income contract. For more complete details about the Disability Income Protection Plan, please refer to the provisions of the policy contract. It is available from Pan-American Life Insurance Company or your local Pan-American representative. Ask for policy form number 4H-1. If there is any question concerning wording, the contract language controls.

KLOHE FINANCIAL GROUP
1026 WATERBROOK COURT
SANTA ROSA, CA 95401
(707) 571-8661